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SUBJECT: SAMBIL LA CANDELARIA MALL IN COMPLETE LIMBO

REF: A. 2008 CARACAS 1765

[B](#). CARACAS 206

[C](#). CARACAS 497

Classified By: Economic Counselor Darnall Steuart for reasons 1.4 (b) and (d).

[1](#)1. (C) According to Bernardo Weininger (strictly protect throughout), lawyer and confidant of the Cohen family which in turn owns the Sambil chain of malls, the Sambil La Candelaria project is in complete limbo. (Note: On December 21, 2008, President Chavez ordered Jorge Rodriguez, mayor of the Libertador borough of Caracas, to expropriate the La Candelaria building, then nearing the final stage of construction. Chavez claimed the mall would promote consumerism and cause traffic problems, suggesting it be turned into a hospital or university instead (ref A). The Cohen family decided to continue construction quietly after assurances from Rodriguez of a solution "beneficial to both sides" (ref B). End note.) Weininger said the Cohens had been optimistic about reaching a solution after several meetings with Jorge Rodriguez following the February 2009 referendum. Their optimism began to fade after Chavez appointed Jacqueline Faria as the "chief" of the Capital District, which includes the Libertador borough (ref C), and Rodriguez's office backed out of the negotiations. It vanished when Chavez told Faria in June on TV "not to lose sight" of Sambil La Candelaria, emphasizing that the mall would "not go anywhere."

[1](#)2. (C) According to Weininger, construction is now almost complete on the mall. Before it opens, Sambil Construction would need to obtain one final permit, which in turn would allow individual vendors to undertake the finishing and decorating of their units. Weininger said Faria's office has not responded to direct and indirect requests to resume negotiations. "They (the Cohens) are ready to negotiate, to give the government what it wants," Weininger continued, "but no one will talk to them." He observed the Cohens were losing money because of the delay, had decided not to begin another major project slated for the Puerto La Cruz area, and planned to concentrate new investment outside Venezuela. Finally, Weininger noted the Cohens, who are Jewish, now believed their religion was very likely a factor in Chavez's and the GBRV's refusal to allow the project to go forward. (Note: As discussed in refs A and B, at the time of Chavez's initial order in December 2008, many Jewish Venezuelans believed anti-Semitism played a role, but the Cohens did not. According to Weininger, the Cohens have changed their minds because they have no other explanation for why they cannot find a way to negotiate and move forward. End note.)

13. (C) Comment: The state of limbo Sambil La Candelaria finds itself in is the norm for businesses or assets Chavez orders expropriated or "intervened." It is impossible to know what prompted Chavez's initial order, be it the location of the mall, its size, or the consumption it would have supported. Any of these factors could have caused the project to catch Chavez's eye without anti-Semitism playing a role, and none of Chavez's or the GBRV's public statements about the mall have referred to the Cohens' religion. On the other hand, it is perfectly plausible religion was a contributing factor, a hypothesis that a batch of vile anti-Semitic graffiti several blocks away from the site does little to dispel. End comment.
DUDDY